

No. 18249

In the

United States Court of Appeals

*For the Ninth Circuit*

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HAMMERMILL PAPER Co., a corporation substituted for COAST ENVELOPE COMPANY, doing business as COAST BOOK COVER Co.,

*Plaintiff-Appellant,*

vs.

THE ARDES COMPANY, a corporation,

*Defendant-Appellee.*

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**Appellee's Brief**

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**Appellee's Brief**

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I.

**STATEMENT OF PLEADINGS AND JURISDICTION**

Appellee accepts Appellant's statement of the pleadings and jurisdiction, but to avoid any possible misunderstanding, the portion relating to the submission of the proposed Findings and Conclusions should be amplified. At the conclusion of the trial, the trial court felt that the matter was so well in mind that the parties could submit proposed Findings of Fact and Conclusions of Law simultaneously (T.235-236).<sup>\*</sup> This was agreed to by Counsel. At the same time the parties could file a short memorandum of authorities if this was desired (T. 237).

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<sup>\*</sup>Appellee adopts the designation of R. for Vol. I of the record and T. for Vol. II which is the reporter's transcript of the trial.

With respect to the last paragraph on page 2 of Appellant's brief, it is sufficient to note that Exhibit 8\* was alleged to be the commercial embodiment of the Miller patent in suit, and the trial court found this was not proved (Finding 37, R.84).

## II.

### THE PARTIES

Appellee accepts the statement with respect to the parties.

## III.

### STATEMENT OF THE CASE

Appellee agrees and stands by its Stipulation that Appellant is the owner of the Miller patent in suit.

No part of the remainder of the statement can be accepted because of the deep seated mis-statements of fact, the deliberate disregard of the evidence and the argumentative nature of its content.

As to the kind of checkbook covers being sold prior to Appellant's introduction of its "Dura-Grip" clip (Ex. 8), Appellee stipulated (T.30) that the checkbook fillers had tabs on them which were inserted in the pockets of the checkbook cover. Such a situation is completely immaterial in and of itself because there was no finding of a long felt want or any need for the type of clip introduced by Appellant. In fact, all of the testimony is to the contrary.

The inventor, Mr. Miller, testified that he had been employed by Appellant for twenty-eight years as a superintendent in the Manufacturing Department (T.27), ten years of which had been completed before his invention in 1944 (T.31). The purpose of his invention was not to fill a long felt want or any need in the

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\*All of Plaintiff-Appellants' exhibits are numbered and all of Defendant-Appellee's are lettered. Accordingly, only the exhibit number or letter as the case may be, will be used.



industry, but was merely to provide a single thickness check book cover, and a spring clip with tension seemed the only way to do this (T.31, 37-38). He did not make any search of the prior art (T.40), he did not see the patent application after it was prepared (T.45) and had little if anything to do with its prosecution (T.45-46). Appellant did not bring out the "Dura-Grip" clip during the four years of the pendency of the Miller application, but waited until the patent was ready to issue (T.28, 49, 50) indicating the lack of urgency or need.

The testimony of Mr. Carlton V. Duffy, Sales Manager for Appellant in this division (T.56), is in sharp contrast with the assertions of Appellant's brief as to the state of the art and the Industry's need prior to the Miller invention. His testimony was to the effect that economics and savings in the cost of the cover were responsible for the large sales of the "Dura-Grip" clip (T.64-65). This meshes with Mr. Miller's testimony that it was the cost of double thickness check book covers which was the occasion for Appellant's work.

Appellee agreed to permit the use of the list of sales (Ex. 12, T.61), but this is far from proving the essential that the "Dura-Grip" commercial clip was in fact within the terms of the claim of the Miller patent in suit and that the extended sales were due to the patent features and not to any other cause. The trial court's finding is that the "Dura-Grip" clip was not within the terms of the Miller claim (Finding 36, R.84).

#### IV.

#### **THE QUESTIONS INVOLVED**

We do not believe that the questions involved are correctly stated by Appellant and because of this, its Opening Brief is merely a re-arguing of the questions of credibility of witnesses and the weight and preponderance of evidence, which were resolved against Appellant by the trial court.

The questions presented are:

1. Does the record show that the Findings of Fact by the trial court are clearly erroneous and unsupported, giving due regard to the opportunity of the trial court to judge the credibility of the witnesses?
2. Upon these Findings of Fact is the single claim of the Miller patent invalid?
3. Upon these Findings of Fact, did the District Court correctly enter a judgment against Appellant and in favor of Appellee on the issue of the alleged infringement?

It is apparent that this case turns on matters of fact and that the law merely follows in support of the facts found. The importance of Rule 52(a) of the Federal Rules of Civil Procedure that Findings of Fact "shall not be set aside unless clearly erroneous", is a dominant and controlling factor on this appeal.

## **SUMMARY OF ARGUMENT**

### **The Miller Patent in Suit.**

1. The Miller patent in suit is directed to a very simple invention having only one combination claim of eight elements, only one of which is asserted to give novelty to the combination, namely element (8), the taper or curve 46 on the edge 26.
2. It is the claim which measures the Miller invention and this claim is admittedly a combination of eight separately designated elements readily identifiable.
3. The Miller patent is not entitled to the usual *prima facie* validity inasmuch as the Examiner did not cite the most pertinent art during the prosecution of the application in the Patent Office.

### **The Miller Patent Is Invalid.**

1. The Miller patent is invalid in view of the prior art. Two prior art patents not cited by the Examiner show the complete combination of the eight elements of the Miller claim in the

same organization, performing the same functions in substantially the same way. These are the British patent to Bonnett, Exhibit A-1 and the U.S. patent to Rockwell, Exhibit A-2. With respect to the only asserted element of novelty, i.e., the taper or curve 46, two patents not cited by the Examiner show the curve or taper to be old in the art. These are the Pippert and Newman U.S. patents, Exhibits A-6 and A-7 respectively.

2. Elements (1) to (7) inclusive, of the Miller claim are admitted by Miller to be old in the art in the organization of the patent in suit, and the prior art shows that the asserted element of novelty, element (8), the taper or curve, is also old in the art. The Miller claim is therefore directed to a combination of old elements each performing its old function in precisely the same way, and is consequently invalid under the rule of the *A & P* case which has been consistently followed by this Court.

3. The addition of a taper or curve (Element (8)) does not give rise to patentable invention because this was well within the skill of a mechanic in this art.

#### **There Is No Infringement.**

1. There can be no infringement of an invalid claim.

2. Appellant does not assert that Appellee's product Exhibit 6 is an infringement and since it was established that Exhibit 6 has substantially the identical structure and functions in the same manner as Exhibits 7 and 9 which are charged to infringe, then if one structure admittedly does not infringe then none of them infringes.

#### **Appellant Has Not Proved Commercial Success.**

1. Evidence of commercial success is only admissible where the patent in suit is admitted to be of doubtful validity.

2. Appellant did not prove that its only commercial structure, Exhibit 8, came within the coverage of the Miller claim. Accord-

ingly, any commercial success which the "Dura-Grip" clip may have had cannot redound to the patent in suit. On the contrary, Appellee proved that the alleged commercial clip Exhibit 8, did not come within the coverage of the Miller claim, and supported this by the testimony at the trial, and by Appellant's own admissions with respect to structures not covered by the Miller claim.

### *Argument*

#### **THE MILLER PATENT IN SUIT NO. 2,488,823, EXHIBIT 5, RELATES TO A VERY SIMPLE INVENTION**

The Miller patent in suit (Ex. 5) is directed to a very simple structure which is a small spring clip or groove attached to one end of a checkbook cover for removably receiving and retaining pads of checks and check stubs. It was not the first of its kind and there were others who had made clips attached to checkbook covers (T.10). The clip is made by bending a small piece of metal and securing it to a checkbook cover. Although several forms and styles are shown in the drawings of the Miller patent, the clip shown in Figure 6 (Ex. C, p. 13) is the one which the patentee elected as the form on which his single claim is based. All other forms were disclaimed and are now in the public domain.

#### **IT IS THE SINGLE CLAIM OF THE MILLER PATENT WHICH MEASURES THE INVENTION AND IS THE PATENTEE'S STATEMENT OF WHAT HE CLAIMS AS HIS.**

The rule of law that it is the claim which is the measure of the invention is so well established that the citation of authority is not necessary.

Appellant attacks the disclosures of the prior art and Findings 10, 11, 12, 16 and 26 by asserting that the Court failed to apply the rule of patent law that a claim must be interpreted in the light of the specification and cites the case of *L. McBrine Co. v. Silverman*, 121 F.2d 181, 182; 50 USPQ 272 (9 Cir. 1941). It is

apparent that the Court applied the rule only in the light of the complete rule that if there is any ambiguity or uncertainty in the language of the claims then and then only, the specification may be referred to. The criticism is based upon an incorrect statement of the law, and the Findings referred to are not erroneous. However, if the phrase "downwardly disposed end edge" of element (5) is related to the specification it will show a meaning that the edge 26 extends downwardly—broadly, and that it must overhang the flat base 20 (See Ex. 5, col. 2 l. 23 *et seq.*). This is precisely what the trial court held in Finding 19 (R.79).

At no time, including the assignments of error relied upon by Appellant here (Brief—Appendix 1), has there been any contention that the language of the claim of the Miller patent in suit was ambiguous, or uncertain, or could not be interpreted in and of itself.

Nor has there been any assignment of error as to the Court's Finding 9 which holds that the single claim of the Miller patent is for a combination of eight elements which are separately listed and identified by numerals assigned to them in the Miller patent. In fact this was stipulated to in the pre-trial order (R.24). The Miller claim divided into its eight elements as set forth in Finding 9 are as follows:

A binder for checkbook fillers and the like comprising:

- (1) a cover sheet forming a back support for a filler, [5]
- (2) and a filler retaining member carried by an end of the cover sheet, [15]
- (3) said filler retaining member comprising a strip of resilient material bent to provide a substantially flat base portion [20]
- (4) and an inwardly and downwardly curved outer end portion [25]
- (5) terminating in a downwardly disposed end edge portion overhanging the base portion [26]



- (6) a distance less than the thickness of the filler to be retained whereby to resiliently bear against and compress a filler against the base portion,
- (7) and means for securing the base portion to the cover sheet, [30]
- (8) said end edge portions intersecting one of the side edges of the outer end portion in a taper. [45]

There are several references as to the novelty of this claim in Appellant's brief and on page 4 of Appellant's brief it attempts to assert that the novelty is in "the top wall of the metal binder element which terminates in a downwardly disposed edge which intersects the side of the element in a taper." This, of course, is not the fact found by the trial court in Finding 24 (R.80) nor does it correctly state the language of the claim. A repetition of this same inaccuracy is found in Appellant's Brief, p. 12.

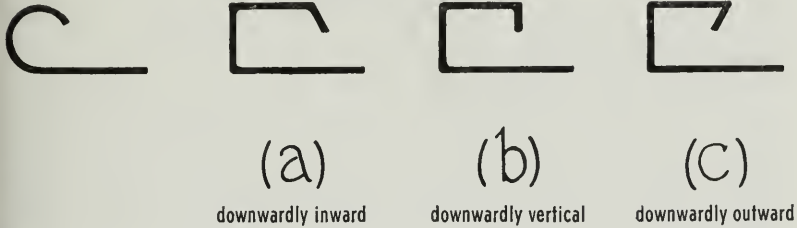
#### **THE COVERAGE OF THE CLAIM**

The first phrase of the Miller claim indicates that it is not limited to binders for checks alone by the inclusion of the words "and the like." This broad language brings into operation all the prior art of sales books, tablets and anything that can be refilled and held by a resilient clip (T.10, 95).

The claim defines by its separate elements a structure having a continuous curve from a flat base 20 to an inwardly and downwardly curved outer portion 25 terminating in a downwardly disposed end edge portion 26 overhanging the base portion 20. The Court found that element (5) of the claim was limited in two respects only (Finding 19, R.79). One was that the terminating edge 26 must be downwardly disposed and the other was that the edge must overhang some part of the flat base portion 20. There was no limitation as to whether the downwardly disposed edge 26 was downwardly vertical, downwardly inward or downwardly outward (T.117, 231-232), as all forms were included

within the language of element (5) (T.101). The proof of this was established by Appellee by reference to the three forms (a), (b) and (c) shown as the three righthand figures on Exhibit F and reproduced below. The curved figure on the left portrays the

DEFENDANT'S EXHIBIT F.



form of clip shown in Figure 3 of the patent. Mr. Wood's testimony established that all three forms (a), (b) and (c), are within the language of element (5) of the Miller claim (T.99-101). This testimony was not controverted. Findings 19 and 20 are supported by the testimony referred to.

**THE ONLY ASSERTED NOVELTY FOR THE MILLER CLAIM IS ELEMENT (8)**

The file wrapper and contents of the Miller patent (Ex. C) shows that all claims were eliminated from the prosecution except application Claims 10 and 11 (T.114). Claim 10 is identical with Claim 11 with the exception of element (8) which was added in Claim 11 and alone distinguishes the two claims (T.114, 129). Claim 10 was rejected on the prior art and was cancelled (T. 129). This means that the combination of elements (1) to (7) inclusive, were admitted by Miller to be old and not patentable (T.114, 129, 130). The only thing that distinguishes Claim 11, which when allowed became the single claim of the Miller patent, is the taper 45 of the front edge portion intersecting one side. This is the substance of Finding 13 which is unchallenged. The purpose and function of this taper is said to be to guide the checkbook filler smoothly and easily between the terminating edge 26 and the

flat base 20 without mutilation of the filler (T.32, 35, 130). The patentee Miller himself says that Claim 11 is distinguished from Claim 10 in that (Ex. C, p. 12):

“Claim 11 adds the tapered end to facilitate sliding the filler in from the end.”

Miller said this same thing at the trial (T.32, 35). This evidence supports Findings 23 and 24.

In view of this distinction, which became the only asserted element of novelty (element (8)), it is somewhat astonishing to find that subsequently in the prosecution of the Miller application the statement which appears to be directly contrary, that (Exhibit C, p. 18 and 19):

“Applicant’s device is a refillable check filler holder and the shape of the retainer specified in Claims 10 and 11 is essential to render it refillable.”

This is a very frank admission that Claim 10 which is admittedly unpatentable over the prior art, performs precisely the same essential function as Claim 11 which is the issued claim of the Miller patent (T.115) which would seem to show that a taper was not necessary for the purposes of the Miller clip. This evidence supports Finding 22.

It is the evidence in this case that the Examiner did not refer to any patent having the holding edge tapered to the outside of the clip (T.106). Thus, there can be no doubt that the only possible basis for asserting novelty in the combination, is element (8) which is the taper 45 of the terminating edge 26. Based upon this evidence in part, the Court made Finding 24.

**THE PRIOR ART RELIED UPON BY APPELLEE WAS NOT REFERRED TO BY THE EXAMINER DURING THE COURSE OF PROSECUTION OF THE PATENT IN SUIT.**

There is no dispute that the prior art patents, Exhibit A-1 to A-7 inclusive, were not cited by the Examiner during the course



of prosecution of the Miller patent in suit. This is the substance of Finding 7 (R.75) which is not disputed. Finding 8 (R.76) holds that the Bonnett British patent, Exhibit A-1, and the Rockwell U.S. patent, Exhibit A-2, were more pertinent than any prior art patents cited or referred to by the Examiner, and the Pippert and Newman patents, Exhibits A-6 and A-7 respectively, were more pertinent with respect to the asserted novel feature element (8) of the Miller claim. The Examiner did not refer to any prior art with this feature (T.106, 127) and these patents each show a taper terminating at the outer end for the express purpose of easing a filler into a channel or slot, and that this alleged novel feature is old in the art (T.128). Finding 8 is fully supported (T.127-129).

#### **THE MILLER PATENT IS NOT ENTITLED TO THE USUAL PRIMA FACIE PRESUMPTION OF VALIDITY**

The Miller patent in suit is not entitled to the usual *prima facie* presumption of validity based upon its issuance inasmuch as the Examiner did not cite or refer to the most pertinent art during the prosecution of the application in the Patent Office. It is the Finding in this case (Finding 8, R.76) that the Examiner did not refer to any patent showing the complete organization of all of the eight elements of the Miller claim, such as the Bonnett British patent and the Rockwell U.S. patent, being Exhibits A-1 and A-2 respectively, and did not refer to any patent teaching a tapering or curving edge to facilitate removing and filling such as the Pippert and Newman patents which are Exhibits A-6 and A-7 respectively. The failure to cite the most pertinent references greatly weakens, if not destroys the presumption of validity. The rule that non-cited pertinent prior art destroys the presumptive validity of this claim is established in this Circuit.

In *Jacuzzi Bros. v. Berkeley Pump*, 191 F.2d 632, 634; 91 USPQ 24, 27 (9 Cir. 1951) this Court held:

"But further, a great many of the patents, which were brought to light in this lawsuit and considered by the Trial Court, had not been previously considered by the Patent Office. Even one prior art reference, which has not been considered by the Patent Office, may overthrow the presumption of Validity, and, when the most pertinent art has not been brought to the attention of the administrative body, the presumption is largely dissipated. Such is the case here."

See also:

*Gomez v. Granat Bros.*, 177 F.2d 266, 268; 83 USPQ 197, 198 (9 Cir. 1949).

*Mettler v. Peabody Engineering*, 77 F.2d 56, 58; 25 USPQ 307, 309 (9 Cir. 1935).

### **THE MILLER PATENT IS INVALID IN VIEW OF THE PRIOR ART**

#### **The Bonnett British Patent Discloses Every Element Functioning The Same Way, in the Same Organization.**

The Bonnett British patent No. 17,932 of 1893 (Ex. A-1) was found by the trial court in Finding 11 to show every element called for by the Miller patent claim in precisely the same combination and performing the same function with substantially the same result. The evidence supports this Finding completely (T.106-110, 129). Appellee's expert Mr. Wood, showed that the Bonnett British patent had each of the eight elements of the Miller claim in the same organization and performed the same functions.

Appellant does not dispute the structure of the British patent to Bonnett but tries to discredit it on the basis that the downwardly disposed end edge portion which overhangs the base is bent outwardly (toward the back of the clip) and in so doing presents "an obstacle" to the entry of the check filler (T.191, 142). This nonsense was not believed by the Court. In its brief

Appellant persists in this same discredited attack and relies upon testimony directed to a model (Ex. 16) which after showing it was not an accurate model of the Bonnett patent, was refused admission in evidence except for the very limited purpose of illustrating the testimony, and not as a representation of the Bonnett patent (T.192-193).

What the British patent really states and teaches is contrary to Appellant's assertion, and is:

"This catching edge E is curved or narrowed at one end, marked E<sup>1</sup> [element (8)], as shown in the plan view, Fig. 1. to insert and face the bound leaves, the latter are placed so as to cause the lower edge of the stump G<sup>1</sup> to enter the top of the trough guide, and the book is then slidden downwards whereby the said stump becomes gripped by the return or catching edge E of the sliding, while the rounded corner E<sup>1</sup> of the same permits the passage of the book to within the slide to be effected with facility."

Although the British use of words is quaint, nothing could be clearer than that the rounded corner E<sup>1</sup> was for the purpose of inserting the stub of bound leaves or sheets into the clip with facility. Upon cross-examination, Appellant's expert said that this language related to a sequence of happenings, i.e., first a gripping and then an ease of entry (T.226-228). This is a strained and unrealistic interpretation because the first portion of the clip which the bound stub contacts upon insertion into the clip from the side is the rounded corner E<sup>1</sup> to facilitate entry within the slide for ultimate gripping by the terminating edge. The evidence given by Appellee's expert and the Bonnett patent Ex. A-1 completely support Finding 11. The Court did not accept or believe the testimony concerning the self-serving, inaccurate Exhibit 16 which was not a true representation of the Bonnett British patent, or the strained and distorted interpretation given the language of the Bonnett patent by Appellant's expert.

A comparison of the Bonnett structure with the Miller claim shows the presence of each of the eight elements, in the same organization and performing the same functions (T.106-110).

**The Rockwell U. S. Patent Also Shows the Complete Organization of Elements of the Miller Claim Performing the Same Function.**

In Finding 12, the Court found that the Rockwell U. S. patent (Ex. A-2) showed every one of the eight elements called for by the single claim of the Miller patent in suit, in the same combination, performing the same functions with substantially the same result. The testimony supporting this is through Appellee's expert Mr. Wood (T.110-113, 129). The only testimony relied upon by Appellee to rebut this was in connection with a model which Appellant had prepared, which model (Ex. 17) was thoroughly discredited and was admitted in evidence only for the purposes of illustrating the testimony and not as an accurate model of the Rockwell patent. Appellant's expert admitted in his direct examination that with respect to the British Bonnett patent and the Rockwell U.S. patent (T.196):

“Well, all of these patents have one thing in common. In every one of these patents there is a base, there is a structure to the base which is bent around so as to overhang, and every one of them has a portion, an outer edge which extends downwardly.”

There was sharp conflict as to whether or not the downward edge 24 of Rockwell which is downward vertically, was tapered to intersect the flared edge 26. It is to be noticed that the edge 26 is cut on a bias or at an angle. It is easily demonstrated by reference to Appellee's Exhibit M that where a sheet is cut on a bias and the terminating edge is bent downwardly, it automatically results in a taper which intersects the edge (T.228). This is precisely the disclosure of Rockwell.

It is clear that the Rockwell patent shows the complete organization of all of the elements of the Miller claim, performing the same functions in precisely the same way (T.129).

**The Pippert and Newman Patents Directly Concern the Taper 26 to Facilitate Entry and Show This to Be Old in the Art.**

There is no testimony whatever to support Appellant's assertion that the Pippert and Newman patents related to "other and remote arts". Both relate to clips, both relate to clips holding sheets between the terminating edges, and both relate to tapering the edges to intersect the outside edge in order to facilitate the entry of the sheets. They are not needed on this appeal because of the frank admission by Appellant's expert that anyone skilled in the art would, as a matter of skill, taper or round the edge in order to facilitate entry of the sheets and particularly this would be true if a sharp corner were involved, which might tear or mutilate (T.230-231).

**MERE AGGREGATION OF OLD ELEMENTS WHICH NEITHER PERFORM NOR PRODUCE A NEW OR DIFFERENT FUNCTION THAN THAT HERETOFORE PERFORMED OR PRODUCED BY THEM IS NOT PATENTABLE INVENTION.**

Elements (1) to (7) inclusive, of the Miller claim are admitted by Appellant to be old in the art (*supra* p. 9) and the prior art shows that the asserted novelty of element (8) which is the taper or curve 46, is also old in the art (see above). The Miller claim is therefore directed to a combination of old elements each performing its old function in substantially the same way and therefore the combination is merely an aggregation of old elements which are unpatentable.

*A & P Tea Co. v. Supermarket*, 340 U.S. 147; 95 L.Ed. 162, is the landmark case which stands for the fundamental proposition that (p. 152):



"The conjunction or concert of known elements must contribute something: only when the whole in some way exceeds the sum of its parts is the accumulation of old devices patentable.

\* \* \* \* \*

"Courts should scrutinize combination patent claims with a care proportioned to the difficulty and improbability of finding invention in an assembly of old elements."

After examining the structure, the Court held (p. 153):

"This patentee has added nothing to the total stock of knowledge, but has merely brought together segments of prior art and claims them in congregation as a monopoly."

A mere aggregation of old elements in an old combination, each performing its function the same as in the prior art, is not a patentable combination resulting in patentable invention. The rule of the *A & P* case confirms the earlier ruling in *Lincoln Engineering Co. v. Stewart-Warner*, 303 U.S. 545, 549; 37 USPQ 1, 3 (1938):

"The mere aggregation of a number of old parts or elements which, in the aggregation, perform or produce no new or different function or operation than that theretofore performed or produced by them, is not patentable invention."

In *Kwikset Locks v. Hillgren*, 210 F.2d 483; 100 USPQ 289 (9 Cir. 1954), it is said:

"A mere advance in efficiency and utility is not enough to convert a non-inventive aggregation into a patentable combination."

See also *Consolidated Training Corp. v. London*, 239 F.2d 33, 36; 111 USPQ 232, 233 (DC Cir. 1956).

The rule of the *A & P* case is the governing authority in this Circuit on the question of invention. The Court of Appeals said in *Moist Cold Refrigerator Co. v. Lou Johnson Co., Inc.*, 249 F.2d 246, 115 USPQ 160 (9 Cir. 1957) at page 166:

"We are committed, and the trial courts of this Circuit, are committed, to the rigid standards of invention of *Lincoln Engineering Co. v. Stewart-Warner Corp. supra*, and *Great Atlantic & Pacific Tea Co. v. Supermarket Equipment Corp. supra*."

The addition of the taper or curve 46, element (8) to the admittedly old combination of elements (1) to (7) did not give the Miller claim the dignity of patentable invention. The addition of a taper or curve for the purpose and function claimed was admittedly within the skill of a mechanic in the art (T.230-231). Appellee's expert Mr. Wood, testified to the same effect (T.115-116). Finding 15 (R.78) is fully supported by this testimony and there is none to the contrary.

*Smith v. Magic City Club*, 282 U.S. 784, 792; 8 USPQ 123 (1931);

*Graham v. Jeoffroy Mfg.*, 206 F.2d 769, 771; 98 USPQ 421, 423 (5 Cir. 1953).

#### **THERE CAN BE NO INFRINGEMENT OF AN INVALID CLAIM**

From the above it is apparent that the single claim of the Miller patent is invalid. It has long been the rule of this Court that there can be no infringement of an invalid claim.

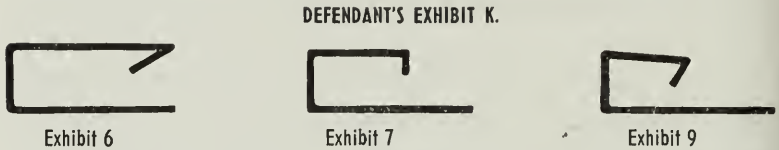
*Pursche v. Atlas Scraper*, 300 F.2d 467, 132 USPQ 104 (9 Cir. 1961);

*Bergman v. Aluminum Lock*, 251 F.2d 801; 116 USPQ 32 (9 Cir. 1958).

#### **THE FINDING OF NON-INFRINGEMENT OF THE SINGLE CLAIM OF THE MILLER PATENT IS AMPLY SUPPORTED BY THE EVIDENCE.**

Appellee has manufactured and sold three different forms of metal clips secured to checkbook covers, each one performing the function of temporarily holding a checkbook filler. There

is no dispute about this and in fact, there is no dispute as to the form of each of these clips (Finding 5, R.75). The *first* is represented by Defendant's Exhibit 6 and was manufactured and sold by Appellee for approximately two years commencing in June of 1957 (T.18, 74). The outline profile of this clip is shown in Defendant's Exhibit K and is the figure at the extreme left



(T.102). The first clip was made and sold by Appellee long before it knew of the existence of the Bonnett British patent (Ex. A-1, T.86). The manufacture and sale of this clip was abandoned in 1959 in favor of an improved clip (T.19, 22, 77, 78, 84).

The *second* and improved clip was brought out in 1959 (T.20), Exhibit 7, and is shown in profile in Defendant's Exhibit K as the middle figure (T.103). This improved clip was abandoned in favor of a second improved clip (T.79, 84).

The second improved, *third* clip is exemplified by Plaintiff's Exhibit 9 and is shown in profile in Defendant's Exhibit K as the third figure on the extreme right (T.104). This is the only clip which Appellee is now manufacturing and selling (T.22, 79).

Appellant seeks solace from the word "abandoned" which it continually uses in connection with references to Plaintiff's Exhibit 6 and which it equally consistently ignores with respect to Plaintiff's Exhibit 7 (Brief pp. 6, 19, 22). The evidence referred to above establishes that the manufacture and sale of both of these clips was abandoned by Appellee (T.77, 79, 25), and both for the same reason, i.e., that it had designed and produced an improved clip, and for no other reason (T.78, 79).

Appellant concedes and does not contend that the clip, Plaintiff's Exhibit 6, is an infringement of the claim of the Miller



patent (Brief p. 22). It was Appellee's contention during the trial that if the structure of Plaintiff's Exhibit 6 does not come within the terms of the Miller claim then neither do the structures of Plaintiff's Exhibits 7 and 9.

To demonstrate that all three forms of clips manufactured by Appellee come within the terms of the Miller claim, Appellee's expert Mr. Wood, showed by reference to Defendant's Exhibit K and the profiles therein, that each of these forms was within the plain language of the claim. Each element of the Miller claim was read and the counter-part structures pointed out (T.102-105). It was Mr. Wood's undisputed testimony that the language of the Miller claim would cover all three clips manufactured and sold by Appellee (T.106). Thus, if any one of them infringed, then all three would infringe. And *vice versa*, if Appellant admitted that one did not infringe, then none of them would infringe. Since Appellant admits that the clip (Ex. 6) does not infringe, then the holding of non-infringement with respect to the clips of Plaintiff's Exhibits 7 and 9 would be justified on this admission alone.

### **APPELLANT'S CLAIM OF COMMERCIAL SUCCESS WAS NOT PROVED**

Plaintiff's assertion of commercial success is based upon the assumption of this fact which it makes at the very start of its brief (p. 3-4) without any citation to the record, and argues from this assumption with a blatant disregard for the Findings and the evidence. Plaintiff hopes by mere repetition of this assumption to influence this Court to accept something which is not true. No amount of commercial success can make an unpatentable combination patentable. It seems elementary that if the obvious invalidity of the Miller patent was to be bolstered by the crutch of commercial success, two things should have been proved in succession at the trial:

- (a) That the only clip (Ex. 8, Exs. L and G) manufactured and sold commercially came within the scope of the single claim of the Miller patent, and
- (b) If this was proved, then the success was strictly attributable to the use of the patented structure and not to salesmanship, selling aids, opportunity or any other factor which would influence the sales.

The District Court held in Finding 34 (R.83) that Plaintiff's commercial clip as exemplified by Exhibit 8 and Exhibit L, and shown in the righthand figure of Exhibit G, "does not employ the same structure nor does it hold it in the same manner as called for by the single claim of the patent." (T.116-120). In Plaintiff's case-in-chief (T.15-74), it made no effort to show that its commercial clip (Ex. 8) came within the language of the single claim of the patent in suit. In order to completely dispose of any possible assertion of commercial success, Defendant through its expert, Mr. Wood, proved in great detail that Plaintiff's commercial clip did not in fact, come within the language of the single claim (T.116-120) or perform the functions of the structure in the same manner (T.132). This was done with reference to Exhibit G, which is reproduced below. There was a feeble attempt

**DEFENDANT'S EXHIBIT G.**



Patented Structure



Commercial Structure

by Appellant to rebut this testimony (T.200-202), and it is apparent that the trial judge simply did not believe it.

Comparing Plaintiff's commercial clip with the eight elements of the single claim as found by the District Court (Finding 9,

R.76), when the clip, as in Plaintiff's Exhibit 8, is attached to a checkbook cover, it does have elements (1) and (2). With respect to element (3) the base is not flat but has an upturned front edge W which performs a definite function (T.120, 132). It does correspond with the structure of element (4) in that it has an inwardly and downwardly curved outer end portion. Element (5) of the Miller claim is definite and requires that the clip terminate "in a downwardly disposed end *edge* portion *overhanging the base portion.*" (Emphasis supplied) It is to be noted that it is the *edge* which must overhang the base, not any other portion. It is apparent from mere superficial examination of the exhibit that the edge of Appellant's only commercial clip does not have its terminating end edge overhanging the base portion, but on the contrary, the terminating end edge portion overhangs the cover (T.124). As to element (6), the claim requires that the distance between the overhanging edge 26 and the flat base 20, shall be less than the thickness of the filler to be retained so that the edge compresses the filler against the flat base. In Appellant's commercial structure the terminating end edge X overhangs the cover and the upturned edge W of the base a distance less than the thickness of the filler, but the compression is offset and the holding is the result of the offset pressure of the edge X against the upturned edge W of the base (T.120, 132) so that the structure for compressing does not accomplish the function in the same way as called for in the Miller patent (T.132).

Since every element of a combination claim is deemed to be essential and the absence of any element avoids the terms of the claims, it is apparent that as a matter of law the claimed commercial structure does not come within the language of the single claim of the Miller patent.

In *I.T.S. Rubber Company v. Essex Rubber Company*, 272 U.S. 429; 71 L.Ed. 335, the Court held (p. 444):

" . . . if the claim to a combination be restricted to specified elements, all must be regarded as material, and

that limitations imposed by the inventor, especially such as were introduced into an application after it had been persistently rejected, must be strictly construed against the inventor and looked upon as disclaimers."

In *Cimiotti Unhairing Co. v. American Fur Refining Co.*, 198 U.S. 399; 49 L.Ed. 1100, the lower court had held that no infringement was involved where the claim called for the knife and brush to be carried to the stretcher-bar and the defendant's machine carried the stretcher-bar to the knife and brush. In affirming the Court held (p. 410):

" . . . it is equally true that as the inventor is required to enumerate the elements of his claim, no one is an infringer of a combination claim unless he uses all the elements thereof. *Shepard v. Carrigan*, 116 U.S. 593, 597; *Sutter v. Robinson*, 119 U.S. 530, 541; *McClain v. Ortmyer*, 141 U.S. 419, 425; *Wright v. Yuengling*, 155 U.S. 47; *Black Diamond Co. v. Excelsior Co.*, 156 U.S. 611, 617; Walker on Patents, § 349."

This is not a matter of semantics or picayune differentiation. In the prosecution of the patent in suit, Miller tried to secure claims in which the terminating edge 26 overhung the cover sheet. These were application Claims 1 and 2 (see Ex. C., p. 5). Despite the protests of Appellant in its brief (pp. 23, 24) to say that Claims 1 and 2 were not cancelled but were "rewritten", its own expert stated (T.188):

" . . . Claim 11 became the claim of the patent, replaced a claim more narrow which was previously claimed in Claims 1 and 2 of the original application and in the applications; therefore, in Claim 11 is a more limited, narrower than the combination in the original Claims 1 and 2, and I would not consider it the same combination."

This is the admission of Appellant's expert on direct examination and is an admission that the substance of the original Claims :

and 2 is not the same combination as the single claim in the Miller patent. By application Claims 1 and 2, Miller tried to include structures where the terminating edge overhung the cover, as opposed to overhanging the flat base. As Appellant's expert admitted, this is not the combination patented (T.221). Appellant cannot now contend for a broader protection than he was allowed, or for an interpretation of the claim which was voluntarily relinquished during the prosecution of the patent.

As was held in *Schriber Co. v. Cleveland Trust Co.*, 311 U.S. 211; 61 S.Ct. 235, at page 220:

"It is a rule of patent construction consistently observed that a claim in a patent as allowed must be read and interpreted with reference to claims that have been cancelled or rejected, and the claims allowed cannot by construction be read to cover what was thus eliminated from the patent. *Shepard v. Carrigan*, 116 U.S. 593; *Sutter v. Robinson*, 119 U.S. 530; *Roemer v. Peddie*, 132 U.S. 313; *Phoenix Caster Co. v. Spiegel*, 133 U.S. 360; *Hubbell v. United States*, 179 U.S. 77; *Weber Electric Co. v. E. H. Freeman Electric Co.*, 256 U.S. 668; *I.T.S. Rubber Co. v. Essex Rubber Co.*, 272 U.S. 429, 443. The patentee may not, by resort to the doctrine of equivalents, give to an allowed claim a scope which it might have had without the amendments, the cancellation of which amounts to a disclaimer."

This is further confirmed by Appellant's own admission as shown by the Stipulation attached to the Judgment in the case of *Coast Envelope Co. v. Exline* (Ex. D, T.123). While there are a number of drawings on this exhibit, it is the one at the bottom of the sheet and referred to as "Fig. 1 of Exhibit G". The structure in outline and profile is substantially identical with the structure and profile of Appellant's only commercial clip, Exhibit 8, and shown in the righthand figure of Exhibit G (T.125). According to the Stipulation with respect to this form of clip, Appellant admitted that the structure was not within and did not infringe



the single claim of the Miller patent in suit. Here is a public and published evaluation by Appellant of the extent of coverage of the Miller claim, and neither the trial court, Appellee nor any other member of the public can be criticized for taking Appellant at its word, that this clip structure was not within the Miller claim.

Thus, not only did Appellant fail to prove that its only commercial clip (Ex. 8) was covered by the single claim of the Miller patent in suit, but Appellee proved conclusively that it was not. Any claimed commercial success of this clip could not and does not prove commercial success of the Miller patent in suit. There is abundant evidence to support Findings 34 and 37 and none to the contrary.

This same evidence also conclusively supports Findings 20 and 36.

Since Appellant admits that its clip (Ex. 8) was the only one made commercially (T.28, 50, 69) this same evidence is also abundant support for the Finding 38 that the Miller patent is merely a paper patent, and no clip has been made under its single claim.

### **THE FINDINGS OF FACT ARE FULLY SUPPORTED BY THE EVIDENCE**

There are 40 Findings of Fact in this case (R.73-85) and the new Rules of this Court (May 25, 1962) provide (Rule 18-3):

"When findings are specified as error in the Appellant's brief, and such specification is argued therein, the Appellee's brief shall contain record references to the evidence relied upon by Appellee as supporting the challenged finding."

No specific Finding is specified as error (See Appendix 1—Appellant's Brief). The 24 errors relied upon are a general challenge to the result and are in effect asking this Court to retry the issues. The following are believed to be all of the Findings which

are specifically referred to and argued in Appellant's Brief. Findings 10, 11, 12, 14, 16, 19, 20, 21, 26, 29 to 39 inclusive. Findings 8, 9, 13, 15, 22 to 25 inclusive, 27 and 28 were said to "relate to" the holding of lack of inventive novelty (Brief p. 9) without specific reference or argument.

The record references to the evidence with respect to Findings referred to in the argument are as follows:

<i>Finding</i>	<i>Supporting Evidence</i>
10 .....	Ex. C, T. 129, 130
11 .....	T. 106-110, 129
12 .....	T. 110-113, 129
14 .....	T. 106, 128, 110-113, also T. 112, 145, 228 and Ex. M
16 .....	Ex. A-1, A-2, A-6, A-7
19 .....	T. 99-101, 117, 231-232
20 .....	T. 117, 120
21 .....	T. 106, Ex. 5
26 .....	T. 128, 108-109
29 .....	Appellant's Brief p. 22, T. 102
30 .....	T. 102-106, Ex. K
31 .....	T. 106
32 .....	All of the evidence
33 .....	T. 24, 119
34 .....	T. 116-120
35 .....	T. 121, 188, 221
36 .....	T. 120, 200
37 .....	T. 200, T. 15-74, 179-233
38 .....	Logic
39 .....	T. 121-125, Ex. D, Ex. G, R.

The challenge of Finding 39 is oblique and does not comply with this Court's Rule 18-2(d). There is no error charged with the admission in evidence of Exhibit D, but only that it was admitted over Appellant's objection (Brief p. 25).

The record references to the evidence concerning Findings mentioned but not specifically argued or otherwise referred to:

<i>Finding</i>	<i>Supporting Evidence</i>
8 .....	T. 127-128
9 .....	Agreed facts R. 24
13 .....	T. 113-115, Ex. C
15 .....	T. 115-116, 230-231
22 .....	T. 115, Ex. C
23 .....	Ex. C, Ex. 5, T. 130
24 .....	Ex. C, Ex. 5
25 .....	Ex. A-1, T. 106-110
27 .....	T. 128-129
28 .....	Ex. C

All of the Findings of Fact are amply supported by the evidence herein. Appellant has failed to show they are erroneous, much less clearly erroneous, in any particular.

### **CONCLUSION**

Appellee believes that Appellant has failed to show any valid reason for disturbing the Findings and Conclusions of the District Court. Further, that Appellant has failed to show any valid reason for this appeal, the same as it failed to prove its case below. The judgment of the District Court should be affirmed.

Respectfully submitted,

HENRY GIFFORD HARDY

*Attorney for Appellee*



**CERTIFICATE**

I certify that, in connection with the preparation of this Brief, I have examined Rules 18 and 19 of the United States Court of Appeals for the Ninth Circuit, and that, in my opinion, the foregoing Brief is in full compliance with those rules.

HENRY GIFFORD HARDY

*Attorney for Appellee*

